

SB 844 -- SHARED WORK UNEMPLOYMENT COMPENSATION PROGRAM

This bill changes the laws regarding the Shared Work Unemployment Compensation Program. In its main provisions, the bill:

(1) Revises the definition of "fringe benefit" as it applies to the program. Currently, fringe benefit includes a retirement benefit received under a pension plan. The bill specifies that it must be a retirement benefit received under a defined pension plan or contributions under a defined contribution plan as defined in the Internal Revenue Code;

(2) Changes the conditions under which the Division of Employment Security in the Department of Labor and Industrial Relations may approve a shared work plan by:

(a) Requiring the employer to certify that, if the participating employer provides fringe benefits to any employee in the affected unit, those benefits must continue to be provided to employees participating in the program under the same terms and conditions as though normal weekly hours of work had not been reduced or to the same extent as other employees not participating in the program;

(b) Requiring the shared work plan to include an estimate of the number of employees who would be laid off if the employer does not participate in the program;

(c) Requiring the plan to describe the manner in which employees in the affected unit will be notified of the employer's participation in the program. If the employer will not provide advance notice, the plan must state why it is not feasible to provide advance notice;

(d) Requiring the employer to certify that participation in the plan and its implementation is consistent with the employer's obligation under applicable federal and state law; and

(e) Requiring the plan to include any other provision that the United States Secretary of Labor determines to be appropriate for the purpose of the program;

(3) Repeals the provision prohibiting the division from approving a shared work plan that subsidizes employers when at least 50% of the employees have normal weekly hours of work of 32 hours or less;

(4) Clarifies that an individual otherwise entitled to receive unemployment compensation benefits will be eligible to receive shared work benefits if the individual is able to work and available for his or her normal hours of work;

(5) Prohibits the division from denying shared work benefits for any week to an otherwise eligible individual by reason of the provisions of the unemployment compensation laws that relate to training that is approved by the division director;

(6) Repeals the provision specifying that an individual must be ineligible for shared work benefits for any week in which he or she performs paid work for the participating employer in excess of the reduced hours established under the plan; and

(7) Specifies that all benefits paid under a shared work plan that are chargeable to the participating employer or any other base period employer must be charged to the employers in the same manner as regular unemployment benefits are chargeable under Chapter 288, RSMo. Currently, all benefits paid under a shared work plan must be charged to the account of the participating employer under the plan.

If the United States Secretary of Labor determines any of the provisions of the shared work unemployment compensation laws to be nonconforming with federal law, the nonconforming provision must not affect the validity of the remaining provisions.

The bill contains an emergency clause.